

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE ACLARIS THERAPEUTICS, INC.
DERIVATIVE LITIGATION

Lead Case No. 1:19-cv-10641-LJL

**JOINT STIPULATION AND [PROPOSED] ORDER TO STAY
THE CONSOLIDATED DERIVATIVE ACTION**

WHEREAS on November 15, 2019, Plaintiff Keith Allred filed a shareholder derivative action on behalf of nominal defendant Aclaris Therapeutics, Inc. (“Aclaris” or the “Company”) in this Court alleging breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violation of Section 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) against defendants Neal Walker, Frank Ruffo, William Humphries, Anand Mehra, Christopher Molineaux, Andrew Powell, Bryan Reasons, Andrew Schiff, and Stephen A. Tullman (collectively, the “Individual Defendants” and, together with Aclaris, the “Defendants”), captioned *Allred v. Walker, et al.*, Case No. 1:19-cv-10641 (the “*Allred* Action”);

WHEREAS on November 25, 2019, Plaintiff Bruce Brown (together with Plaintiff Keith Allred, “Plaintiffs”) filed a shareholder derivative action alleging substantially similar facts and making substantially similar claims against the same defendants in this Court, captioned *Brown v. Walker, et al.*, Case No. 1:19-cv-10876 (the “*Brown* Action” and together with the *Allred* Action, the “Derivative Actions”);

WHEREAS on December 12, 2019, the Court entered an order consolidating the Derivative Actions into one action, captioned *In re Aclaris Therapeutics, Inc. Derivative Litigation*, Lead Case No. 1:19-cv-10641-LTS-JLC (the “Consolidated Derivative Action”) (*see* Consolidated Derivative Action, Dkt. #9);

WHEREAS there is currently pending in this Court a related consolidated securities class action filed on July 30, 2019, captioned *Rosi v. Aclaris Therapeutics, Inc. et al.*, Case No. 1:19-cv-07118-LTS-JLC (the “Securities Class Action”);

WHEREAS, if the Securities Class Action cannot be resolved consensually, defendants in the Securities Class Action intend to file a motion for summary judgment therein;

WHEREAS the Securities Class Action and the Consolidated Derivative Action contain overlapping allegations and name some of the same defendants;

WHEREAS the outcome of any motion for summary judgment in the Securities Class Action will likely affect the scope, claims, and defenses applicable in the Consolidated Derivative Action; and

WHEREAS this joint stipulation will promote the efficient and orderly administration of justice by appropriately coordinating the Consolidated Derivative Action with the Securities Class Action;

WHEREFORE, the parties, through their undersigned counsel, hereby agree, stipulate, and respectfully request that the Court enter an Order as follows:

1. All proceedings and deadlines in the Consolidated Derivative Action, including any obligation to answer, move against, or otherwise respond to any complaint filed in the Consolidated Derivative Action, are hereby stayed pending the resolution of the motion for summary judgment in the Securities Class Action.
2. The Defendants shall promptly notify Plaintiffs should they become aware of any additional related derivative lawsuits or threatened related derivative lawsuits (including litigation demands and demands for books and records).
3. The Defendants shall promptly notify Plaintiffs if any related derivative action is

not stayed for a similar or longer duration than the Consolidated Derivative Action.

4. If a related derivative action is not stayed for a similar or longer duration than the Consolidated Derivative Action, Plaintiffs may terminate the agreed-upon stay upon thirty (30) days' notice via email to the undersigned counsel for Defendants.

5. Defendants shall include Plaintiffs in any mediation with the plaintiffs in the Securities Class Action. Defendants shall also include Plaintiffs in any mediations or formal settlement negotiations with any purported plaintiffs in any related derivative lawsuits or purported shareholders with threatened related derivative lawsuits.

6. Defendants shall promptly produce to Plaintiffs any documents produced, written discovery, and deposition transcripts in the Securities Class Action and in any related derivative lawsuits or threatened related derivative lawsuits (including books and records demands and demands for books and records), subject to a confidentiality agreement or protective order.

7. Notwithstanding the stay of the Consolidated Derivative Action, Plaintiffs may file an amended complaint once or twice during the pendency of the stay. Defendants are not required to answer, move against, or otherwise respond to any amended complaint filed in the Consolidated Derivative Action during the pendency of the stay.

8. The parties shall meet and confer to submit a proposed scheduling order to the Court within fourteen (14) days of the date that the stay is lifted.

9. After the stay of the Consolidated Derivative Action is lifted, Defendants will not move to stay the Consolidated Derivative Action in deference to any other derivative action.

10. By entering into this joint stipulation, the parties reserve all of their respective rights, claims, and defenses in the Consolidated Derivative Action, and no part of this joint

stipulation shall be construed as a waiver of any rights, claims, or defenses not expressly addressed herein.

Dated: May 6, 2021

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IT IS SO ORDERED this _____ day of May, 2021.

HON. LEWIS J. LIMAN
UNITED STATES DISTRICT JUDGE